

## Council strategy for supporting creativity and culture

### Purpose

1. The paper seeks the Council's views on future strategy to support creativity and culture and informs the Council of the executive's recent work in this area.

### Corporate plan implications

2. Some of the issues are skills issues that are related to Aim 2, objectives 1 and 2 of the corporate plan. (skills and employability and the contribution learners make to society) Some relate to Aim 4 (high quality research) and Aim 5, objective 1 (improving the flow of knowledge, expertise and ideas to businesses, enterprises, and public services.)
3. The Council also has a duty under the 2005 Further and Higher Education Act to have regard to issues affecting culture in Scotland.

### Background

4. The Council heard a presentation from the Principal of the Royal Scottish Academy of Music and Drama (RSAMD) at its September meeting. At that meeting the Council asked that options for supporting and developing culture and the creative industries and the role of the small specialist institutions (SSIs) should be discussed at a future meeting. A review of potential areas for action across the whole field is set out in **annex A**.
5. The proposed strategy contained in this paper provides the background for Council discussion.

### Broad aims of our strategy

6. The Council has not yet specifically discussed creativity and culture. The executive suggest that the broad aims of our strategy should be to:

- ensure that the college and university sectors can make a significant contribution to both culture and creativity; and
  - support the skills needs of the creative industries.
7. If the Council agrees that these should be the broad aims, the executive believe that, generally speaking both the college and university sectors are already doing well in addressing them.
  8. This view is based on extensive work the executive carried out in 2004 and 2005 on how well our provision in both HE and FE were meeting the needs of the creative industries. That work covered the creative industries rather than creativity and culture as a whole but in our discussions with institutions it was difficult to separate the two.
  9. That work concluded that, generally speaking, the sectors were meeting the needs of the creative industries and that:
    - there did not appear to be a general problem with either the numbers of students studying creative subjects in Scotland or the viability of courses in terms of student demand. We did hear concerns about the number of funded places available at postgraduate level;
    - most, if not all, creative subjects were available in Scottish HE or FE but we heard concerns about places available in traditional music, dance (which is not available in any Scottish HEI, though there is provision at HE level in the college sector) and writing both for the screen and computer games; and
    - there was strong support from institutions, students and others for developing mechanisms that would help develop the ability of former students from both colleges and HEIs to flourish in the creative industries – which often meant operating as a micro business – and to help create the conditions in which those industries can grow faster in Scotland by improving the retention of graduates in Scotland and building networks and critical mass.
  10. Since the conclusion of this work – which was guided by an advisory group that included the principals of the three small specialist institutions and senior managers from other HEIs with major provision in the creative disciplines – we have encouraged HEIs to

consider a collaborative bid for strategic funding for mechanisms to address the third bullet point above; so far they have not yet done so. We have also funded a study into postgraduate provision in the creative disciplines. This is attached to annex A. Other issues raised in this work are discussed in the proposed actions later in this paper.

11. While many of the issues raised in the 2005 work and this paper relate to HEIs rather than colleges, the 2005 work involved extensive consultation with staff and students in colleges as well as HEIs. There were fewer concerns about provision in colleges, perhaps because colleges find it easier to reallocate provision from one subject to another to meet demand. Colleges would however be interested in linking with any support to help former students into the creative industries.
12. The condition of the Glasgow School of Art estate remains a concern and is a major constraint on the development of that institution and the exploitation of its potential. Therefore if a satisfactory way forward on this could be found this would resolve a very major issue for the visual arts in Scotland.
13. The Council may also wish to consider the special case of RSAMD, Scotland's only conservatoire. Its very small size has prevented it making the most of its contribution to culture in Scotland, which its record of innovation and progressive thinking could allow. Paragraphs 29-37 of **annex A** set out its position in more detail. The executive consider that after two years or more of development, RSAMD has identified a coherent, unique mission which strongly supports Scottish culture and cultural life. Its strategy requires expansion in student numbers, phased over several years. Issues for the Council are whether to support the strategy (subject to funding being available in the next spending review period) and, in particular, whether to seek to give a positive signal to RSAMD by allocating modest growth in 2007-08. A small amount of growth (in terms of the sector as a whole) for this unique institution would make a major difference to its ability to respond to demand from the Scottish traditional music, dance and creative media sectors, and to the Scottish Executive's 'escalator'. It is worth also noting that RSAMD did not benefit from the major expansion of the HE sector generally during the 1990s – their strategy at that time was to remain small. The executive suggests that an additional allocation of 10 places for 2007-08 would be of great encouragement to the Academy.

14. The executive's view is that special attention on the problems of the small specialist institutions is justified, because their room for manoeuvre is most limited and these are two most pressing strategic gaps, which the Council can help to resolve and which are holding back the creative sector.

### **What needs to be done?**

15. The executive suggest that the main areas that require to be developed further to address the broad aims referred to above are:

- support for colleges and HEIs in addressing the Scottish Executive's cultural strategy – ensuring that colleges and HEIs can play the role it envisages for them as the top of an 'escalator' that develops creative talent;
- developing some specific skills-related area (postgraduate provision, developing the Screen Academy, considering the implications of the Cox Review of Creativity);
- strengthening research and knowledge transfer in creativity and culture; and
- help resolve major strategic gaps holding back the creative sector including, in the first instance: Glasgow School of Art estates project and RSAMD's development strategy.

16. The rationale for this and the actions we think are required are described in **annex A**. For some we propose that the Council seeks additional resources in the spending review. Others are can be implemented from existing resources.

### **Small specialist institutions**

17. Normally the Council would expect colleges and universities to respond to demand and adjust their provision to address the type of issues described in this paper without any need for additional action by the Council. However, a substantial proportion of – though by no mean all – practice-based creative provision is in SSIs. They have less freedom to respond to the drivers that shape activity in other institutions because of their size and specialism. For that reason, the Council may have to be more active in facilitating change that it

wishes to see delivered through these institutions in a way that would be not be necessary or appropriate in larger institutions.

18. SSI status was introduced in 2000. SHEFC considered that there may be some small specialist institutions that lacked the economies of scope and scale present in larger institutions and that an ethos which is of benefit to students could be in danger of being lost and these institutions were of strategic importance to Scotland. The three SSIs (RSAMD, Edinburgh College of Art and Glasgow School of Art) each receive £446,000 in addition to their formula funding from the Council. This is not specifically support for culture and the creative industries – though, in practice, all three SSIs currently all specialise in practice-based creative disciplines (that is, courses in the practice of art or music as opposed to the theoretical study of the subject).
19. The executive believe that the rationale for SSI status continues to exist – though this is something that will be explored in the teaching funding methodology review alongside other aspects of the teaching funding methodology. That said we would not wish to insulate the SSIs from beneficial collaboration with other HEIs that would not affect their ethos. Many of the actions recommended in this paper contain elements of collaboration between SSIs and other institutions.

## **Recommendation**

### **That the Council:**

- **develop its strategy for the creative industries and culture along the lines discussed in the paper;**
- **agree in principle to seek resources in the spending review to contribute to the increased level of support for culture and creativity to support the Scottish Executive’s ‘escalator’; supporting the Cox Review of Creativity, growth in funded numbers at postgraduate level and at undergraduate level in music and dance, support for the Screen Academy subject to Skills Committee approval and note that further information on the amount of funding we should seek should be brought to a later meeting;**
- **ask the Skills Committee to discuss the skills aspects of this outline strategy (the Screen Academy, the Cox Review of Creativity and the issue of postgraduate places);**

- **ask the executive to consult informally with the relevant institutions on whether a Scottish Postgraduate School of Creativity would be the best way to make coherent use of any additional funded PG places in creativity;**
- **note that Small Specialist Institution status will be considered as part of the teaching funding methodology review;**
- **note that the executive are continuing to work with GSA on resolving its estates issues;**
- **agree to seek funds in the spending review to increase the capacity at RSAMD to enable it to expand its Scottish Music provision, introduce dance and build greater critical mass in its existing music and drama provision; and**
- **if the Council wishes to support the above recommendation on RSAMD, consider whether it wishes to allocate an additional 10 funded places in 2007 to allow RSAMD to increase its intake in music by 10 to begin the implementation of its strategy.**

### **Financial implications**

20. Further papers will be brought to Council on the spending review which will give more detail on the financial implications.
21. Increasing the student intake at RSAMD by 10 undergraduate funded places in music would cost approximately £120,000 in 2007-08. (As a four year course, indicative costs for the following three years would therefore be £240,000 in 2008-09, £360,000 in 2009-10 and £480,000 in 2010-11.)

### **Further information**

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## Council strategy on creativity and culture; areas for early action

### *Scottish Executive's policy on culture*

23. The Scottish Executive responded to recommendations of its Cultural Commission in early 2006. The response set out its priorities for culture and the creative industries. The most relevant part for further and higher education was the Executive's commitment to the idea of an 'escalator' that discovers and develops creative talent and supports it through schools, colleges and HEIs. Specifically it said 'An important role is also envisaged for further and higher educational institutions such as the Royal Scottish Academy for Music and Drama, the Screen Academy and Scotland's art colleges. It is essential that these bodies should establish links with schools, the creative industries' sector, national arts bodies like the national performing companies, and national initiatives such as the Writers' Factory - that enable students to progress between them, getting tuition and creative opportunities best suited to their development needs. Ministers plan to discuss the detail of this with relevant partners.'
24. We understand that Ministers have not, as yet, taken this forward. However, this clearly has implications for several of our institutions. Many of the actions that might be needed to ensure they can respond adequately are covered below. Others may emerge as Ministers discuss this.

### *The case for additional funded numbers*

25. The main area of concern about lack of provision in the executive's 2004-05 work was in **postgraduate** provision in creative disciplines. Since then the Council has funded a study into the funding of postgraduate provision in the creative and performing arts by EKOS consultants through GSA which was completed in December 2006. This considered the need for additional funded postgraduate places in creative subjects at Scottish HEIs. (The Executive summary is attached as **annex B**.) The report argues that the current position means that HEIs are unable to respond to demand and that this limits both their ability to develop competitive research cultures and respond to economic needs. It gives economic, cultural and educational cases for growth.

26. The executive believe that the case presented in EKOS is reasonable. In particular we believe that its will be difficult for institutions to develop high-level research cultures and help create the critical mass that might help grow the creative industries in Scotland unless they have adequate numbers of postgraduate students. One indicator of the current situation is that currently Scotland underperforms in obtaining AHRC funding for both the research preparation Master's scheme and the Doctoral scheme. In 2005-06, Scotland made 8% of applications, 8% of offers and had 8% of the total awards accepted. Figures for the professional preparation Master's scheme are lower; Scotland made 4% of applications and received funding for 5% of the total number of awards.
27. The professional preparation Master's scheme provides a higher number of studentships from the Music and Performance Panel and the Visual Arts Panel and thus would seem to demonstrate that Scotland is performing poorly in terms of the total number of applications. Given that the focus is on professional practice, this may also have implications for the potential flow of qualified people through to the creative industries in Scotland. In terms of economic, social and cultural benefits, it is important that we address what looks like under-performance in this area in particular
28. We sought growth in funded numbers to expand the number of postgraduate places in the 2004 spending review. That bid was not successful. However, given the focus on 'the escalator' in the Scottish Executive's response to the cultural commission we believe this issue remains important and with the better evidence base now available consider that this item should be included in our 2007 spending review submission.
29. The only areas where there was concern about lack of **undergraduate** provision were in dance and Scottish music. (There was no consensus on whether the other area raised – screenwriting – was an undergraduate or postgraduate issue. Since then Napier University has established a postgraduate course through the Screen Academy. Additional postgraduate places could be used to support this.)
30. Strongly related to the concerns about dance and Scottish music is the case the Council heard from the principal of **RSAMD** at its September meeting that constraints on the number of places it could offer were – as well as making it impossible to introduce dance or

expand Scottish music – constraining its ability to attract the best students and achieve the highest levels of international excellence.

31. He made a case for developing RSAMD into an institution with a higher reputation and which could help provide the ‘escalator’ that Scottish Executive wants in the performing arts, developing international excellence by becoming a new type of performing arts academy. It wants to widen its curriculum to new areas that build on its core strengths in classical music and drama. These include expanding Scottish music and musical theatre and introducing dance. It wants to build on the work it already does through the Junior Academy and Reach Out (their work with young people throughout Scotland) by doing more work with colleges to help build the ‘escalator’ the Scottish Executive aspire to and give the most talented potential performing artists routes into the Academy. They also want to develop the work they do with Scotland’s national arts companies and become central to Scotland’s performing arts.
32. The executive have been working with RSAMD over the last year in developing their new strategy. We think it fits well with the Scottish Executive’s cultural strategy and recommend that the Council seek resources in the spending review to implement it.
33. We think there is a particularly strong case to support provision in **dance**. There is currently no HEI provision in dance in Scotland (although there is provision at HE level in the college sector).
34. RSAMD has developed a prototype ballet and contemporary dance degree in consultation with Scottish Ballet and the (secondary-level) Dance School of Scotland so that dancers who currently have to leave Scotland aged 16 or 17 could stay. RSAMD has proposed an intake of 12 students a year on a 3 year course. In 2004-05 there were 33 Scottish-domiciled students studying dance elsewhere in the UK.
35. Though there is strength in the subject in colleges, we believe that HEI provision would be complementary rather than in competition with college provision.
36. If the Council wishes to support the Academy’s aspirations– which are for eventual growth by around 200 places – the executive recommend it would be wise to phase implementation as RSAMD is a very small institution. For that reason, as well as seeking resources from the spending review for 2008-9 onwards, the Council may want to decide in principle to allocate a small number of places to support

Scottish music and classical music which will replace some of the places that the Academy moved from their classical music course to support Scottish music. For traditional music in particular we understand that the Academy is only able to take a very small percentage of the very well qualified applicants.

### **Scottish postgraduate school of the creative industries**

37. If the Council is to seek resources for growth in the postgraduate provision in the creative disciplines as discussed above, it may be sensible to seek ways to ensure that this is used to better link the variety of strengths in postgraduate provision in creative disciplines across Scotland and build collaboration and critical mass in a variety of subdisciplines across the relatively small numbers of postgraduates in creative disciplines in Scotland. One way to do this would be to encourage a Scottish Postgraduate school of the creative industries. This would fit well with the findings of the 2005 work on the creative industries. If the Council wishes to proceed with this, the executive will consult informally with the relevant HEIs on this before finalising any spending review proposal.

### **Cox review of Creativity in Business**

38. The Cox review of Creativity in Business was asked by the Treasury to advise the Chancellor on how to improve productivity 'by drawing on our world leading creative capabilities.' Its report asked HEIs to establish centres of excellence in linking creativity and business. The 2006 pre-budget report said that HEFCE would fund around six centres of excellence and that these projects would work across institutions and cover a variety of sectors, including services, health, environment, and communication, and explore the development of creative leaders, world class designers, engineers, scientists and executives.

39. There is interest from Scottish HEIs in developing a centre in Scotland. Informal discussions with the Scottish Executive suggest that they are supportive of this aspiration – though they have not allocated any additional funding. The Council may want to consider whether it wishes to support this and whether it wishes to seek additional funds in the spending review to do so.

## **Research pooling**

40. The Council has received an outline proposal from Edinburgh College of Art and the Universities of Dundee & Edinburgh for small-scale pooling in the visual creative disciplines. This builds on a feasibility study commissioned by the Council in response to an earlier unsuccessful pooling proposal. We understand that work is progressing well on a full proposal although a precise timescale is not yet clear.

## **Glasgow School of Art estate**

41. The school is seeking to renew its estate and has sought Council funding. This is a major development. The current proposal by the School is not one that is fundable. We will continue to work with the School to implement a viable strategy.

## **Knowledge transfer and cultural engagement**

42. One of SFC's Knowledge Transfer and Innovation Group's (KTIG) four action groups is considering Cultural Engagement. This group has developed proposals for the SR2007 on the resources and structure of funding that could make a demonstrable difference to the volume and quality of Cultural Engagement activity in Scotland's HEIs, bringing societal and economic benefits along with the more direct cultural ones. This addresses priority action 43 of the Councils' corporate plan (We will develop measures to incentivise increased Cultural Engagement with the wider community and stimulate creativity.)

43. The group has advocated a significant increase of funding and suggested that funding should be allocated through two funding streams – one formulaic to incentivise supply side knowledge transfer behaviours and one strategic, bid based to encourage innovative activities and collaborations. More details on this will be provided to Council in papers for the discussion on SR2007 after the KTIG has discussed it.

44. In the current financial year Scottish Institutions are receiving, for the first time, an allocation of £500K which is ring fenced for engagement in cultural activities. This was allocated, subject to a

minimum of £20K per institution, in proportion to the total of the main teaching grant and the main quality research grant which institutions will receive in 2006-07. The allocation was conditional on the provision of an institutional Cultural Engagement Strategy.

### **Screen Academy**

45. The Scottish Screen Academy was established in 2005. It is a collaboration between the Edinburgh College of Art and Napier University. The Council has not so far provided any funding for this. Funding for the first two years has come from Skillset (the sector skills Council for the audio visual industries), the Scottish Executive and the institutions. In our sector skills agreement with Skillset we agreed to consider a case for strategic funds to develop the Academy in future.
  
46. The executive believe that that we should explore with the institutions whether there is case to be made for funding from the Council to help further develop the Screen Academy. This is primarily a skills issue so, subject to Skills Committee approval, the Councils Skills Fund may be an appropriate source of funding. The council may however wish to consider whether there is case for seeking further resources in the spending review as part of a larger creativity-related bid.

# **Research into the Funding of Postgraduate Provision in the Creative and Performing Arts in Scottish HEIs**

## **Executive Summary**

### **1. Introduction**

- 1.1 There is growing concern that, despite the strong policy focus on the creative industries at UK and Scottish levels, and the enviable reputation of Scotland's higher education institutions (HEIs) in creative subjects, there is insufficient provision for postgraduate education in the Creative and Performing Arts (CPA) in Scotland.
- 1.2 In recognition of this, the Scottish Funding Council (SFC) made resources available for research into the funding of postgraduate provision in the CPA and architecture in Scotland. The research was commissioned by Glasgow School of Art, on behalf of a consortium of specialist HEIs involved in the delivery of courses at undergraduate and postgraduate levels in practice-based creative disciplines.
- 1.3 The overall aim of the study was to analyse and benchmark the funding of postgraduate (PG) education (taught and research) in Scottish HEIs, comparing this to other disciplines and other nations and exploring the impacts of current provision.
- 1.4 The study method combined desk research and analysis of available data on funded places and student numbers with wider consultation with HEIs, students and other public sector stakeholders.
- 1.5 It is important to note the limitations on some of the data available to the study. In particular, data on funded places are supplied to the Funding Councils by HEIs in a way that does not always allow for disaggregation at the level of individual subjects or disciplines. As a result, it is difficult to extract truly accurate figures for the numbers of funded places available for taught PG courses in the CPA in Scotland, and no comparable data were available for England. It is important to bear in mind these limitations when interpreting the findings of the study.

### **2. Current Funding Situation**

#### **Taught Postgraduate (PGT) Provision**

- 2.1 The main funding sources for PGT are SFC for provision of funding to institutions and the Student Awards Agency for Scotland (SAAS) for provision of funding to students. In both cases, the available data suggest that CPA subjects receive low levels of support compared to other disciplines.
- 2.2 Our best estimate is that CPA subjects (including Conservatoire Music and Creative Arts subjects) had around 180 funded PGT places in 2006/07 (55 of which were for Conservatoire Music). There were 215 funded places for the Diploma in Architecture. Funding for PG places elsewhere in Architecture appears to be quite limited, although detailed data are not available. In 2004/05, these numbers were broadly similar, while actual PGT students in CPA subjects numbered 1,249. Therefore, funded places accounted for approximately 30% of

the PGT students in CPA in 2004/05. By comparison, funded places in Computing Science accounted for around 40% of PGT numbers.

- 2.3 The number of funded places for PGT in Creative Arts and Hospitality<sup>1</sup> subjects is significantly lower than in Computer and Information Science, a subject area with broadly comparable (or even lower) numbers of undergraduates (UGs). When looking at CPA as a whole (i.e. including Creative Arts and Hospitality, Architecture and Conservatoire Music) the nearest comparator in terms of UG numbers is Social Sciences and again CPA has a much lower number of funded PG places.
- 2.4 CPA subjects also have no priority within the overall funding system, and as a result may be vulnerable when delivered within a larger institution in which funding is shifted around according to institutional priorities. In our study, we found clear examples of where this was the case.
- 2.5 Due to the lack of comparable data, it is difficult to draw any firm conclusions about the Scottish funding position relative to that in England. Analysis of student numbers suggests that PG provision in CPA in England is also low compared to other disciplines. However, there is some evidence to suggest stronger provision in certain areas than in Scotland (in particular in Fine Art, Music, Drama and Dance and Architecture). Overall, CPA PG students account for 4% of the total student population in England, and only 1% in Scotland.
- 2.6 International comparison with Finland suggests that the provision of funding for PG study is significantly better than in Scotland, although this is true across the board, and not just for CPA subjects. However, there is strong focus on CPA within wider policy on education and economic development, lending the disciplines with a greater sense of overall priority.
- 2.7 Finally, we would note some specific issues faced by the Small Specialist Institutions (SSIs)<sup>2</sup>. The SSIs cannot easily transfer funded places from other subject areas into CPA, and their low base in UGT provision is such that transferring UGT places to PGT would undermine the viability of those courses. However, it is also worth noting that even within larger HEIs, where the transfer of places is theoretically possible, it can be difficult for CPA subjects to benefit from internal shifting of resources. For some departments within larger institutions, they neither benefit from the greater resources available to other subjects, nor from the specific support (albeit limited) that is made available to SSIs.

### **Postgraduate Research (PGR)**

- 2.8 The funding structures supporting PGR are more complex and varied than those for PGT. Again, support to institutions is provided by SFC for research activities in general (Main Quality Research Grant) and PGR in particular (Postgraduate Research Grant). It is not possible to disaggregate from overall figures the value of support to CPA PGR from the Main Quality Research Grant or from the Postgraduate Research Grant provided to larger institutions (i.e. those that provide PG study in subjects other than CPA). However, based on the available evidence, CPA subjects do appear to receive low levels of support. For the SSIs, the use of a flat rate PGR grant not tied to student numbers is a disincentive to increasing PGR

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<sup>1</sup> SFC data is provided only in broad categories and data for Creative Arts subjects are combined with Hospitality.

<sup>2</sup> The Small Specialist Institutions in Scotland are Glasgow School of Art, Edinburgh College of Art and the Royal Scottish Academy of Music and Drama.

places, and within larger HEIs, CPA subjects struggle to secure a proportionate share of PGR support to the institution.

- 2.9 Funding for PGR is also provided (to students) by the Arts and Humanities Research Council (AHRC), although this is very small compared to other Research Councils. Scotland has not benefited proportionately from this source of funding, and the evidence suggests that not enough applications are made.
- 2.10 The complexities of the data relating to the funding of PGR mean that it is difficult to draw any firm conclusions about the level of support for CPA relative to other disciplines or in Scotland relative to elsewhere. Certainly, research degrees are a comparatively recent development in CPA and there is no long established research tradition in these subjects. Therefore, it is particularly difficult to start to build a research culture in the absence of funding, a challenge that has been recognised in England through the development of the Research Capability Fund.
- 2.11 The overall impression is that PG education in CPA is not as well funded as other disciplines, and that Scotland may lag behind other areas in this respect.

### **3. Impacts of Current Funding Position**

- 3.1 Feedback suggests that Scottish HEIs are not only unable to expand provision to meet the rapidly growing demand for CPA PG study, but in places are struggling to meet the needs of current student cohorts, risking dilution of quality.
- 3.2 HEIs are becoming increasingly reliant on overseas students, a strategy that may eventually risk limiting the places available to home students, unless funding is increased. There is a related issue of tailoring the programmes towards a different market and making the educational experience more generic, in order to accommodate the specific needs both of income and overseas students.
- 3.3 Student decisions about PG education are based primarily on the quality and range of course provision and the reputation of institutions. In the long term, continued under funding risks damaging the competitive position of Scottish HEIs in CPA PG provision, with the possibility of talent loss. This must be a concern in light of the Scottish Executive's stated commitments to increasing the flow of talent to Scotland.
- 3.4 Current funding structures constrain the growth plans of some HEIs, and limit their ability to develop competitive research cultures and PG environments in CPA subjects. The longer-term implications of this are declining market share and financial instability.
- 3.5 Limited CPA PG provision incurs opportunity costs in terms of the development of the creative innovators that will drive future economic success for Scotland, not just in the directly relevant areas of creative industries but across the economy more widely. In particular, inter-disciplinary (creative, technological and business) PG study in CPA subjects offers exciting potential for the development of industry ready talent with the key mix of skills for a modern economy. This was a key recommendation of the UK Treasury's *Cox Review of Creativity and Business* and, despite significant Treasury interest, current funding structures limit the ability of HEIs to offer this kind of provision.

- 3.6 Therefore, overall, the current funding situation for PG education in CPA in Scotland has potentially significant implications for the future competitiveness of some of our HEIs and is limiting Scotland's potential to develop new kinds of educational provision fit for a 21<sup>st</sup> century economy.

## **4. The Case for Change**

- 4.1 Based on these findings, and the weight of evidence for the central role of creativity in future economic and cultural well being, our view is that there is a case for increased support for PG education in the CPA in Scotland. We recognise that this case must be argued in the context of current policy and within overall budgetary limits. However, for economic, cultural and educational reasons, PG education in the CPA can offer important benefits to Scotland. In particular, the economic need to mainstream creativity within business, and to prepare future generations of creative specialists and business leaders argues very strongly for greater focus on PG training in CPA disciplines, where creativity is already placed centre stage.

### **The Economic Case**

- 4.2 The creative industries are amongst the fastest growing sectors in the global economy, and are widely considered to offer significant long-term economic prospects. However, future success in an increasingly competitive market will require the development of creative specialists and business leaders of the highest quality. CPA PG education delivers this high-end talent.
- 4.3 The rise in UG (and entry level) qualifications in areas related to the creative industries places increasing importance on PG qualifications. In a global market (as much of the creative industries are) Scotland must be able to compete.
- 4.4 Beyond the creative industries, there has never been greater recognition of the critical role of creativity in businesses of all kinds. As Scotland and the UK face growing economic competition from the Far East, it is increasingly clear that the competitive environment has shifted from one based on cost towards a focus on creativity and innovation. Our future economic success as a nation depends on mainstreaming creativity across all areas of economic activity, and developing the creative business leaders that can drive innovation in new products, services and business models with broad economic appeal. This requires talent that can integrate skills and knowledge across creative, technological and business domains. PG study in CPA subjects provides an opportunity to develop this interdisciplinary talent, producing the kinds of graduates that can be economically productive very quickly. In particular, the development of new inter-disciplinary masters courses offers significant opportunities and, as mentioned, was a key recommendation of the *Cox Review*.
- 4.5 In addition, successful economies are those that invest in innovation and talent. Support for PG study in the CPA is an investment in the development of an innovation culture with the related benefits in research and knowledge transfer activities. Slowly, this is starting to happen, and now one in nine Knowledge Transfer partnerships is explicitly focussed on creativity and design. The low level of support for PG education is at odds with this trend.

- 4.5 As argued by Richard Florida in *The Rise of the Creative Class*, vibrant and successful PG environments are powerful magnets for talent, attracting the kinds of people that can support the ongoing development of an innovative and creative economy. In this respect, the right PG provision can play a key role in realising the Scottish Executive's ambitions for talent attraction as expressed through the Fresh Talent Initiative.

### **The Cultural Case**

- 4.6 Culture is high on the policy agenda in Scotland, and is being given an increasingly central role in public policy. In particular, the forthcoming Culture Bill will set the blueprint for a new Cultural Policy in Scotland, with the twin pillars of access and excellence at its heart.
- 4.7 *Scotland's Culture – the Scottish Executive's response on the Cultural Review* (January 2006) states that culture is a rich resource which should be available to all and expects all those with a role in its provision to work together - across the public, private and voluntary sectors. It proposes the development of an 'escalator model' approach to cultural talent development and service delivery. This approach is aimed at strengthening infrastructural links between the major local and national cultural agencies, the education, arts and heritage sectors. It will also seek to ensure that providers of cultural activity complement formal education priorities within schools and informal learning contexts, enabling all children and young people to experience a wide range of activities, enjoy opportunities to progress and go on to develop their talents.
- 4.8 PG education in CPA sits at the top of this escalator, and there is little point in developing strong provision throughout school and beyond, only to lose the best talent because opportunities are not available and/or are not of the highest quality. Therefore, support for high quality PG provision in CPA is a key element of our developing cultural policy and can help to support Scotland's international reputation for artistic excellence.

### **The Education Case**

- 4.9 Higher Education is a global industry and competition is increasing. A vibrant and competitive HE sector is a key component of a successful economy and the growing (and international) demand for PG education in CPA argues that this is an area in which Scotland must compete. To attract the best students and staff, nationally and internationally, Scotland's HE sector must be able to develop sustainable and high quality PG provision – PGT and PGR. This has implications for academic and research activity and for the wider sustainability of the HEIs themselves.
- 4.10 The development of vibrant research cultures is an important part of the overall competitive offering of our HE sector, and it is particularly important to offer PG opportunities in subjects that are attractive to potential students (in particular overseas students). The available data suggest that demand for CPA is strong and is growing both at home and internationally.

- 4.11 There is also growing focus on PGT courses as a stepping-stone to research degrees, a model of PG study that is endorsed by the Research Councils. Therefore, the standard and quality of research and the development of viable research cultures is dependent on sufficient throughput of high quality PG students. Importantly, PGT provision also acts as a bridge from research into the UG curriculum and is a key progression route for UG students into research activity.

### **Focussing Investment**

- 4.12 We believe that there is a case for increased funding support for PG education in the CPA. Many of the reasons above would, on their own, present a strong case for change, but together they are hard to ignore. Nevertheless, we recognise that some will carry more weight than others.
- 4.13 In particular, our view is that the areas of greatest opportunity, economically and educationally, lie in developing new kinds of inter-disciplinary provision that bring together creative, technological and business elements. UG study develops specialism and expertise, but PG education provides the opportunity to take those skills across different disciplines, developing highly valuable creative and adaptable graduates. This is the agenda proposed by the *Cox Review*, and is clearly focussed on developing the creative business leaders of tomorrow.
- 4.14 It is hard to single out subject areas for investment (and would be for HEIs and SFC to determine), but alignment with growing industry sectors would be a good place to start. Finally, it is absolutely critical that PG education in CPA develops strong business and entrepreneurship components. As mentioned earlier, in many areas, this is not about filling job vacancies, but is about creating new businesses and productive freelance careers. Business skills and entrepreneurship are fundamental elements of creative economies, and must be a central part of all PG provision in CPA.